

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF PHELPS)	CASE NO. 8562-D
GAS COMPANY, INC.)	

O R D E R

On November 30, 1982, the Commission issued its Order in Case No. 8562 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased.

On April 14, 1983, Phelps Gas Company, Inc., ("Phelps") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Columbia Gas of Kentucky, Inc., ("Columbia") and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Phelps' notice of April 14, 1983, set out certain revisions in rates which Phelps proposed to place into effect, said rates being designed to pass on two wholesale decreases in price from its supplier in the combined amount of \$8,344 or 25.6 cents per Mcf.

(2) Phelps' wholesale cost of gas was decreased by Columbia effective March 1, 1983, in the amount of .7 cents per Mcf. Phelps did not file an application for permission to track this decrease thus resulting in an overcollection from its customers. Phelps should report to the Commission the amount overcollected from its customers during the period from March 1, 1983, to the date the proposed rates are implemented, along with a plan to refund the same amount to its customers.

(3) Columbia notified Phelps of an additional wholesale decrease to be effective April 1, 1983, in the amount of 24.9 cents per Mcf. Due to the retroactive nature of this decrease, Phelps should report to the Commission any excess revenues collected during the period from April 1, 1983, to the date the proposed rates are implemented, along with a plan to refund any excess collections to its customers.

(4) Phelps requested an effective date of May 1, 1983, for the proposed rates. The effective date should be April 1, 1983, the same as the effective date of the most recent wholesale decrease.

(5) Phelps' adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8562 dated November 30, 1982, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after April 1, 1983.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after April 1, 1983.

IT IS FURTHER ORDERED that for the purpose of the future application of the purchased gas adjustment clause of Phelps the base rate for purchased gas shall be:

Commodity

Columbia Gas of Kentucky, Inc. \$5.760 per Mcf


IT IS FURTHER ORDERED that within 60 days of the date of this Order Phelps shall report to the Commission any excess revenues collected during the period from March 1, 1983, to the date the proposed rates are implemented, along with a plan to refund any excess collections.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Phelps shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 28th day of April, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8562-D DATED April 28, 1983.

The following rates and charges are prescribed for the customers in the area served by Phelps Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

First 1 Mcf	\$9.30 Minimum Bill
Over 1 Mcf	7.00 per Mcf